Impact of drought on economy

†1344. SHRIMATI MOHSINA KIDWAI:
DR. PRABHA THAKUR:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the present drought will have an adverse impact on the economy of India;

(b) whether Government have made any assessment with regard to the likely impact on the GDP inflation and price rise; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM): (a) The cumulative rainfall in the monsoon season (June-September) in the current year from June 1 to August 11, 2004 at 519.3 mm was 7% lower than normal rainfall at 557.8 mm. Rainfall deficiency was 22% in North-West India, 10% in South Peninsular India and 4% in North East India. The cumulative rainfall in Central India was 1% above normal. Sown areas under Kharif crop until the first week of August 2004 are higher than the last year for cotton, groundnut, soyabean, sunflower and maize, but lower than last year for rice, sugarcane, jute and pulses.

(b) and (c) It is too early to make an assessment of the impact of deficient rainfall on GDP and price rise, as agriculture production depends not only on overall rainfall but also on its distribution over time and regions.

Swapping of loans by banks

1345. SHRIMATI N. P. DURGA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that some banks are swapping their sticky loans to avoid showing them as NPAs;

(b) if so, the details of banks which are involved in such deals;

(c) whether the market intelligence cell of RBI has got any idea of such deals; and

† Original notice of the question was received in Hindi.

(d) if so, what action RBI has taken against such banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM): (a) to (d) Based on Market Intelligence reports in 2003 that certain banks have adopted the undesirous practice of swapping of their sticky loans, RBI has already cautioned its Inspecting Officers in March 2004 to look out for this practice during the Annual Financial Inspection cycle of 2004-05.

Kelkar Committee Report

1346. SHRI RAJIV SHUKLA: Will the Minister of FINANCE be pleased to state:

(a) whether the Kelkar Committee on Tax Reforms has submitted its report to the Government;

(b) if so, the main recommendations thereof; and

(c) the decision taken by Government thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM): (a) The reports of the Kelkar Task Force on Tax Reforms pertaining to direct and indirect taxes was submitted in December, 2002. A Task Force on the implementation of the FRBM Act, 2003 also submitted its Report in July, 2004.

(b) and (c) So far as Task Force on Direct Taxes is concerned, the details of the main recommendations and the action taken thereon by the Government is given in the statement-I (*See* below).

So far as Task Force on Indirect Taxes is concerned, the details of main recommendations and the action taken are given in statement-II (*See* below).

The Report of the Task Force on implementation of the FRBM Act, 2003, is in public domain.